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ABSTRACT

In the past, worker displacement resulting from structural changes in the economy remained confined to industrial occupations such as manufacturing. The recent trends toward corporate restructuring, global competition, and military downsizing have created new groups of dislocated workers, including upper and middle management and military personnel. Among the trends associated with white-collar worker displacement are the following: emergence of entrepreneurship as an alternative to corporate work, emergence of support groups to assist with job search, reexamination of traditional job search strategies, manifestation of differences in the ways males and females cope with job loss, disproportionate unemployment among older workers, and reassessment of careers. Adult, career, and vocational educators can respond to worker displacement in a number of ways, including the following: providing entrepreneurship training and ongoing support for individuals starting small businesses, offering classes in job-search strategies, and providing career counseling services to help individuals prepare for careers that may include involuntary job loss. (This trend and issues summary includes an annotated bibliography of 18 print resources and 7 resource organizations that can be consulted for additional information about the new displaced workers.) (MN)

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The New Dislocated Worker
Trends and Issues Alerts

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TRENDS AND ISSUES ALERTS

by Susan Imel *1993*

The New Dislocated Worker

In the recent past, structural changes in the economy caused worker displacement, primarily in industrial occupations such as manufacturing. Today, however, corporate restructuring, global competition, and military downsizing are displacing new groups of workers in white-collar occupations, including upper and middle management and military personnel.

The recession that began in 1989 caused millions of layoffs, affecting for the first time large numbers of white-collar managers and employees; 65% of the newly unemployed were managers, professionals, and their clerical workers (Fox 1992; Mandell 1990). In 1991, for example, it was estimated that corporate cutbacks were announced at about 2,600 per day (Applegate 1992). Although the recession is officially over, layoffs are still occurring. Fortune 500 companies, which have abolished 4.3 million jobs since 1980, continue to announce cutbacks, and the elimination of defense-industry jobs will cause another 1.4 million displacements (Stern 1993).

Trends associated with white-collar worker displacement include the following:

- **The emergence of entrepreneurship as an alternative to corporate work.** After failing to find suitable, comparable positions in corporations, many laid-off executives are starting their own businesses. Unfortunately, the transition to entrepreneurship status is not always easy (Applegate 1992; Nussbaum 1992).
- **The emergence of support groups to assist with the job search process.** Many laid-off white-collar workers are choosing to manage their own job searches, seeking and paying for professional help only when needed. Groups such as the Five O'Clock Club, Forty Plus, Operation ABLE, and AARP Works are providing support and assistance in managing the job searches of displaced white-collar workers (Burton and Wedemeyer 1991; Stern 1993).
- **Reexamination of traditional job search strategies.** Some of the conventional wisdom associated with job hunting is being challenged. For example, the old adage that "it's easier to get a job when you have a job" is less valid simply because the negative connotations of being "in transition" have lessened considerably during the last decade. Also, after being replaced by functional resumes, chronological resumes are now back in favor (Burton and Wedemeyer 1991; Stern 1993).
- **Gender differences in coping with job loss.** Research studies of displaced professionals reveal that, although men and women experience the same psychological and physical distress, women tend to seek more social support from friends and former coworkers following job loss (Eby and Buch 1992; Leana and Feldman 1991).
- **Disproportionate unemployment among older workers.** From October 1991 to October 1992, the rate of unemployment for individuals aged 55 and over increased 7 times that of individuals aged 16-54. In addition, older workers experience longer periods of unemployment. In 1992, the median job-hunt time for all workers was 8.8 weeks but for those aged 55-64, it was 16.7 weeks (Stern 1993).
- **Reassessment of careers.** Because of the changes in the economy affecting those jobs once considered "safe" from layoffs, many persons are reassessing their careers and no longer thinking of staying with one company for life. Even employed white-collar workers may be planning for job changes (Burton and Wedemeyer 1991; Daoust 1990).

Adult, career, and vocational educators can respond to worker displacement in a number of ways:

- Forming groups to support individuals undertaking job searches
- Providing entrepreneurship training and ongoing support for those starting their own businesses
- Offering classes in developing job-search strategies suitable for the "new" economy
- Providing career counseling services that enable individuals to prepare for careers that may include involuntary job loss

The following list of resources can be consulted for additional information about the new displaced workers.

Print Resources

Addison, J. T., and Portugal, P. "Advance Notice and Unemployment: New Evidence from the 1988 Displaced Worker Survey." *Industrial and Labor Relations Review* 45, no. 4 (July 1992): 645-664.

Reviews literature on the impact of advance notice on postdisplacement joblessness. Concludes the results are mixed but suggests that longer written notice may more than double the proportion of white-collar workers who move directly to new employment.

Applegate, J. "From Executive to Entrepreneur." *Working Woman* 17, no. 7 (July 1992): 33-34.

Describes the trend of entrepreneurship among dislocated executives, concluding that transition is not easy because of radical changes in life-style, status, and job duties. Enumerates a series of stages through which those making the switch successfully move.

Burton, M. L., and Wedemeyer, R. A. *In Transition.* New York: HarperBusiness, 1991.

Authors' experiences conducting the Harvard Business School Club of New York's Career Seminar form the basis of this book on the topic of career transition. Its three sections lead the reader through the process of career assessment and the job search.

Daoust, T. *Staying Employed.* Lexington, MA: D. C. Heath, 1990.

This book describes what both employed persons and job hunters must do today to remain employed. Examines the new employment market and provides steps for "hiring an employer."

Eby, L. T., and Buch, K. "Gender Differences in Coping with Involuntary White Collar Job Loss." Paper presented at the Annual Meeting of the Southeastern Psychological Association, Knoxville, TN, March 25-28, 1992. (ED 344 157)

A research study tested the Latack Dozier model of career growth, finding that for both men and women an overwhelming response to job loss was career growth but there were significant gender differences on several variables including post-job loss family support and post-job loss friend/coworker support.

Feldman, D. C., and Leana, C. R. "Managing Layoffs in the '90s." *Business and Economic Review* 39, no. 2 (January-March 1993): 3-13.

Makes recommendations for managers to consider in implementing layoffs and describes most common corporate interventions designed to soften effects of layoffs.

Fox, P. *Thriving in Tough Times*. Hawthorne, NJ: Career Press, 1992.

Presents a strategy designed to help individuals take charge of their careers in today's changing workplace so that they can protect and advance their careers.

Gibbons, R., and Katz, L. F. "Layoffs and Lemons." *Journal of Labor Economics* 9, no. 4 (October 1991): 351-380.

Examines Current Population Surveys data for pre- and postdisplacement earnings among white-collar workers, concluding that those who are replaced by plant closing fare significantly better than those who are laid off.

Hayslip, J., and Van Zandt, C. E. "Dealing with Reduction in Force: Career Guidance for State Employees." *Vocational Guidance Quarterly* 33, no. 3 (March 1985): 256-261.

Describes a workshop designed for state department of education employees facing a reduction in force.

Holmes, B. H., and Werbel, J. D. "Finding Work Following Job Loss: The Role of Coping Resources." *Journal of Employment Counseling* 29, no. 1 (March 1992): 22-29.

Investigated importance of coping resources in finding reemployment after job loss; those who became reemployed within 3 months were more internal in their locus of control and possessed better problem-solving skills.

Leana, C. R., and Feldman, D. C. "Gender Differences in Response to Unemployment." *Journal of Vocational Behavior* 38, no. 1 (February 1991): 65-77.

Study of unemployed professionals found that men relied more on problem-focused activities such as job search, whereas women relied more on symptom-focused activities such as seeking social support.

Mandel, M. J. "This Time, the Downturn Is Dressed in Pinstripes." *Business Week*, October 1, 1990, pp. 130-131.

Reviews the effect of late 1980s recession on white-collar workers.

Mandel, M. J., and Bernstein, A. "Dispelling the Myths that Are Holding Us Back." *Business Week*, December 17, 1990, pp. 66-70.

Enumerates "comforting" myths and "hard truths" about competing in the world market, including those related to white-collar employment. The global economy is depicted as a potential negative force on the United States.

McKnight, R. "Creating the Future after Job Loss." *Training and Development* 45, no. 11 (November 1991): 69-72.

Describes a training program that can help displaced workers overcome typical reactions to job loss and visualize and plan for their desired futures.

Morton, G. L. "Helping Managers and Employees Cope with Work-Force Cutbacks." *Training and Development Journal* 37, no. 9 (September 1983): 50-54.

Suggests ways that cutbacks and their effects can be minimized.

Nussbaum, B. "Downward Mobility." *Business Week*, March 23, 1992, pp. 56-63.

Discusses several trends related to white-collar displacement, including the move to entrepreneurship and declining economic aspirations. Profiles several professionals who lost jobs.

Plewes, T. J. "Workforce Trends, Workplace Trends: How They Dictate a Changing Education and Training Strategy." Paper presented at the Work Now and in the Future Conference, Portland, OR, November 2, 1992.

Examines trends that are affecting the work force and workplace, including those that are causing worker displacement. Concludes that focusing on the future should not preclude fixing today's problems.

Stern, L. "How to Find a Job." *Modern Maturity* 36, no. 3 (June-July 1993): 24-34.

Reviews trends related to older worker displacement and provides strategies for finding a job in current "tough" market. Describes issues related to self-employment and age.

Resource Organizations

American Association for Retired Persons, 601 E Street, NW, Washington, DC 20049 (202/434-6070).

Association of Outplacement Consulting Firms, 364 Parsipanny Road, Parsipanny, NJ 07054 (201/887-6667).

Center on Education and Training for Employment, Entrepreneurship Program Area, 1900 Kenny Road, Columbus, OH 43210-1090 (614/292-4353).

Forty Plus. See local telephone directory for a chapter in your area.

Online Career Center. Contact occ-info@mail.msen.com (automated reply) or occ@main.msen.com (Bill Warren, director). This national public access database on Internet for recruiting, outplacement, and career assistance includes job listings, company profiles, and resumes of job seekers.

Options Inc., 225 South 15th Street, Suite 1638, Philadelphia, PA 19102 (215/735-2202).

Small Business Administration, 409 3rd Street, SW, Washington, DC 20416 (800/U-ASK-SBA).

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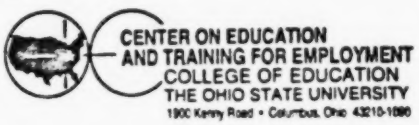
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